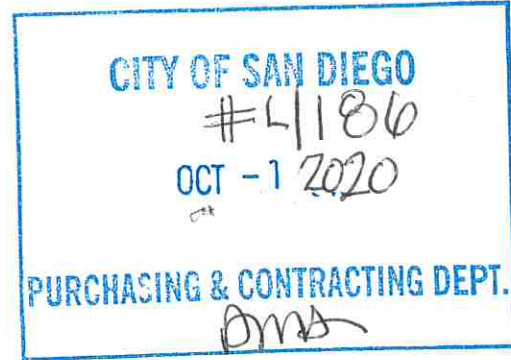


Purchasing and Contracting Department
Sole Source Request and Certification Form



To: Director of Purchasing and Contracting
Cc: Deputy Chief Operating Officer, Infrastructure / Public Works
From: Craig Boyd, Interim Deputy Director, Wastewater Treatment and Disposal, WWTD
Date: October 1, 2020

In alignment with the guidance provided in the San Diego Municipal Code section 22.3016, the Purchasing Agent (Director of Purchasing and Contracting) must certify that the award of a sole source contract is necessary by memorializing in writing why strict compliance with a competitive process would be unavailing or would not produce an advantage, and why soliciting bids or proposals would therefore be undesirable, impractical, or impossible.

For consideration, this form must be completed and all required accompanying information must be submitted together, including any related contracts. Failure to do so will result in a delay of approval of the request.

Describe commodity or service(s) to be purchased. Include vendor contact information.

This sole source requests approval is being sort to establish a contract between the City of San Diego (City) Wastewater Treatment and Disposal (WWTD) of Public Utilities Department (PUD) and Hawthorne Power Systems (Hawthorne) to acquire parts and technical services for Caterpillar Co-generation engine, (Co-Gen) backup generators and associated switch-gears.

WWTD currently owns and operates 5 Co-Gen, Caterpillar engines generators, along with nineteen (19) smaller emergency generator units and associated electrical switch-gears, at several facilities. The Co Gen units are located at Gas Utilization facility, GUF, (two units), Pump Station 2 (2 units) and North City Water Reclamation Plant, (1 unit). Additional the Energy Reliability Project at Pump Station 2 will utilize two new Gas, Caterpillar Co Gen unit, which will be included once maintenance is needed past warranty period.

The Co-Gen units provide power for plant operations. With Point Loma Wastewater Treatment Disposal Plant GUF also provide approximately 11 Million of Kilowatt Hours (KWH) of electric credits to the City on an annual basis. Hawthorne is the only authorized parts supplier and technical services provider for Caterpillar Co Gen generators, emergency generators, and switch-gears. Hawthorne's Caterpillar factory-trained staffs have the expertise and certification needed to professionally service and repair Caterpillar equipment. In addition, this ensures maximum performance and minimum environmental impact."

Hawthorne is the only authorized parts supplier and technical services provider for Caterpillar engine generators and switch-gears. It is requested that you approve this procurement with Hawthorne Power Systems for a period of five (5) years for technical services and parts for Caterpillar engine generators and switch-gears for an amount not to exceed \$15 million over five (5) years period.

Vendor Contact Information:
Timothy Roberts Sales Manager
Phone: (858) 376-6882
Email: TRoberts@HawthorneCat.com

Justification

1. This product or service is available from only one supplier and meets at least one of the following criteria (please check all that are applicable):

- ☒ *One-of-a-kind/Compatibility*
- a. Required by Warranty: the product matches existing equipment, infrastructure and is required by warranty. **(A letter from the provider which supports this claim must be provided.)**
 - b. Goods and Services:
 - i. the good has no competitive product or alternative on the market.
 - ii. the service requires a special skill, ability, or expertise linked to the current project that cannot be provided by another supplier.

(Documentation in support of either of the above claims must be provided by the requesting department.)

- ☐ *City Standards* The product or service complies with established, existing City standards.
- ☐ *Replacement* The product or service is the only compatible replacement component that supports a larger system. Or, the services are the only ones that can replace the existing service requirements.

2. Do any of the following situations exist?

- ☒ *Limited Competition* Department made an attempt to find a second or multiple sources to no avail.
- ☐ *Emergency* There is an urgent need for the item or service and time does not permit the City to solicit for competitive bids, as in the cases of emergencies as defined under SDMC section 22.3208,. (Delays in solicitation do not satisfy this criteria)

Cost/Market Analysis

Purchasing and Contracting will perform due diligence on each request. If Purchasing and Contracting can find a suitable, cost effective alternative, this request will be denied and that alternative will be pursued after your department has been contacted to discuss the revised determination.

This form does not take the place of an agreement and all sole source requests for a period of one year or longer will require the **submission of an agreement**. The requesting department must submit a purchase requisition and a copy of this certification to Purchasing and Contracting for a Purchase Order to be issued.

PCO Due Diligence (PCO to initial all that apply)

_____ Proof of warranty or maintenance requirement for standardized and replacement items confirmed.

MLW Vendor/Supplier confirmed submission of justification letter.

_____ Market test confirmed that there is no advantage to the City in competing this contracting opportunity to multiple vendors.

_____ Emergency verified with the department.

MLW Pricing agreement has been reviewed.

MLW Purchasing and Contracting has reviewed this request and affirms that this request for a sole source justification is appropriate.

This sole source is approved for:

☐ One (1) year from the signature date below.

☒ For the entire length of the contract, but not more than five (5) years.

The length of the contract must be consistent with the sole source approval. A sole source request must be submitted and approved by the Purchasing and Contracting Director prior to the award of each new contract and prior to each extension of an existing contract that was not contemplated in the initial contract term.

_____ After reviewing the provided information and due diligence, I cannot recommend the approval of this request.

Purchasing and Contracting Director Review

I certify that strict compliance with a competitive process would be unavailing or would not produce an advantage, and that soliciting bids or proposals would be therefore undesirable, impracticable or impossible. My approval is contingent on the information provided in this form.

☒ In accordance with SDMC §22.3016, this request is approved.

☐ Based on the information provided and due diligence recommendation of staff, this request is denied.



Christiana Gauger, Interim Director, Purchasing and Contracting

10/23/2020

Date

To: Delgado, Vanessa <CDelgado@sandiego.gov>

Subject: Draft Documents: SS 4186 - Hawthorne Machinery Co.

Vanessa,

Please find attached the draft documents in support of SS 4186 with Hawthorne Machinery Co.

Very Respectfully,

Mike

Michael Warner
Senior Procurement Contracting Officer
City of San Diego
Purchasing & Contracting Department

T: (619) 236-6154

mwarner@sandiego.gov

<SS 4186 Request_Hawthorne.pdf>

<Sole Source Provider Letter 02062020.pdf>

<2 - Article IV Signature page_v2.docx>

<3 - Exhibit A_Scope of Work.docx>

<4_Attachment A - Engine Population List_WWTD 10.1.2020.docx>

<1 - Service Agreement_v2.docx>

<SAM_Hawthorne Machinery Co.pdf>